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HOUSE OF REPRESENTATIVES

REPORT
100-246

CEMETERY IMPROVEMENTS AMENDMENTS OF 1987

JULY 28, 1987.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 2957]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2957) to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes, having considered the same, reports favorably thereon with amendments, by unanimous voice vote, and recommends that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 3, line 18, strike out "LOCATION" and insert in lieu thereof "LOCATIONS".

Page 3, line 19, insert before "Notwithstanding" the following: "(a) ZABLOCKI VETERANS' ADMINISTRATION MEDICAL CENTER.—".

Page 4, after line 2, insert the following:

(b) INDIANTOWN GAP, PENNSYLVANIA.—Notwithstanding section 1004(c)(2) of title 38, United States Code, the Administrator may provide for flat grave markers at the national cemetery at Indiantown Gap, Pennsylvania.

INTRODUCTION

On July 1, 1987, the Subcommittee on Housing and Memorial Affairs held an oversight and legislative hearing on issues affecting the American Battle Monuments Commission, Arlington National Cemetery, and the VA National Cemetery System. Testimony was received from the Honorable Gerald B.H. Solomon, the Honorable Bob Stump, the Honorable Clyde C. Holloway, the Honorable Bob McEwen and Senator John McCain.

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Government witnesses included representatives of the American Battle Monuments Commission, the Department of the Army (Arlington National Cemetery), and the Veterans Administration. Testimony was also presented by the American Cemetery Association and the National Concrete Burial Vault Association. Veterans organizations which appeared before the Subcommittee included the American Legion, the Non Commissioned Officers Association, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America.

Legislative proposals were reviewed at the hearing which would establish a currency fluctuation account for the American Battle Monuments Commission (H.R. 2653); permit the VA Administrator to expend funds for improvements on nonfederal property adjacent to national cemeteries for the purpose of permitting safe ingress and egress (H.R. 1999); and authorize an exception to the upright grave marker provisions of 38 U.S.C. 1004 in certain sections of the Wood National Cemetery, Milwaukee, Wisconsin (section 401 of H.R. 2005).

The Subcommittee also received testimony on the use of graveliners in national cemeteries and on the use of garden niches for interment of cremated remains. Legislative provisions on both of these issues were subsequently included in the reported bill.

On July 14, 1987, the Subcommittee unanimously recommended a clean bill incorporating all the legislation considered by the Subcommittee on July 1, 1987. On July 15, 1987, the provisions contained in the clean bill were introduced as H.R. 2957. The full Committee met on July 22, 1987 and ordered H.R. 2957, as amended, reported to the House by unanimous voice vote.

Summary of the Bill

H.R. 2957, as reported would:

(1) Establish an account in the Treasury, to be known as the "Foreign Currency Fluctuations, American Battle Monuments Commission, Account;"

(2) authorize the Administrator to make contributions to local authorities for construction of traffic controls, road improvements or other devices adjacent to a VA national cemetery for purposes of allowing safe ingress or egress;

(3) permit flat grave markers to be used on land transferred from the VA medical center to the Wood National Cemetery at Milwaukee, Wisconsin. Authorize a similar exemption for the Indiantown Gap National Cemetery, Pennsylvania;

(4) authorize the Administrator to provide an approved type of graveliner for the interment of casketed remains in VA national cemeteries and Arlington National Cemetery;

(5) authorize flat grave markers for gravesites of cremated remains that have been interred in the ground ("garden niches"); and

(6) repeal the restriction that in any given year, no one State may receive more than 20 percent of the total funds appropriated for that year under the VA's State Cemetery Grant program.

Background and Discussion of the Bill

American Battle Monuments Commission (ABMC)

The primary missions of the American Battle Monuments Commission are to commemorate the services of American military forces where they have served since the entry of this country into World War I (April 6, 1917); to build and maintain permanent U.S. military burial grounds on foreign soil; to control the design and construction of U.S. military monuments overseas; and to encourage adequate maintenance of such memorials by their sponsors.

At the present time, ABMC operates 24 permanent American military cemetery memorials and fourteen separate monuments in eleven foreign countries and the Commonwealth of the Northern Mariana Islands, as well as four memorials in the United States. The Commission is staffed by 387 full-time civilian employees and 6 military officers who serve on a reimbursable basis. Of the civilian employees, 337 are foreign nationals indigenous to the countries where ABMC installations are located.

At the Subcommittee hearing on July 1, 1987, ABMC testified with regard to the impact of foreign currency exchange rates on their operations. From 1979 to 1984, when dollar exchange rates were appreciating in Europe, a surplus in funds appropriated developed. ABMC was able to utilize the surplus funds generated to replace worn out equipment, restore stocks of spare parts, and initiate maintenance projects that had previously been deferred because of lack of funds.

Late in 1985, however, the U.S. and certain allies took steps to reduce the value of the dollar, in order to make American goods more competitive. The resulting depreciation of the dollar severely impacted ABMC operations, as over 90 percent of its appropriation is expended overseas.

In fiscal year 1986, ABMC required a supplemental appropriation of $1,553,000 to help offset losses associated with the weakened U.S. dollar. In fiscal year 1987, a supplemental appropriation of $1,414,000 was requested for similar reasons. In the meantime, in order to cope with the situation, ABMC has taken measures in Europe and the Mediterranean to reduce certain labor costs; defer capital improvement projects; suspend non-emergency repair and replacement projects; and limit purchases of essential supplies. Even with these measures, ABMC testified at the hearing that an additional $150,000 would be required by the end of the year to meet its obligations without furloughing employees, an action which would violate treaty agreements with most of the host countries.

The Committee agrees with ABMC's recommendation to establish for its use a foreign currency fluctuation account, similar to those which have been set up for the State Department and the Department of Defense. This will offset the negative impact of a weakened U.S. dollar on ABMC operations. The bill authorizes an appropriation of $3 million for deposit in the account.

Using this type of account, transactions in foreign countries utilize the budgeted rate of exchange as the standard for obligations. If the exchange rate at the time of purchase is higher than the budgeted rate, the difference is deposited into the account. If, on

the other hand, the exchange rate is lower, the necessary additional funds may be withdrawn from the account.

In response to questions at the hearing on July 1, 1987, ABMC advised the Subcommittee on Housing and Memorial Affairs that establishing the foreign currency fluctuation account will virtually eliminate the need for supplemental appropriations in the future.

Safe Ingress or Egress at VA National Cemeteries

H.R. 1999, introduced at the request of the Veterans Administration, authorizes the VA to make contributions to local authorities for the construction of traffic controls, road improvements, or other devices, adjacent to national cemeteries if considered necessary for safe ingress and egress.

The VA Administrator in his request to the Speaker of the House of Representatives dated March 24, 1987, noted that:

"It has become evident, in administering the national cemetery system, that specific statutory authorization is required in order to undertake the type of construction projects deemed necessary to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such requisite construction projects are generally prohibited as a result of the well-established rule which prohibits the Government's expenditure of appropriated funds for the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe a specific statutory authorization under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation, in our opinion, addresses and resolves these concerns."

Examples of situations where dangerous conditions exist that could be remedied under this authority include the following:

1. Calverton National Cemetery (New York)—The cemetery service road fronts on a high speed, high volume two-lane highway. Due to high activity, dangerous conditions exist at this entrance. This could be resolved by adding a deceleration lane for right turns, an additional lane at the service entrance for left turns, and a stop light that is activated for cars exiting the cemetery.

2. Massachusetts National Cemetery—There is direct access to the cemetery from southbound lanes of a divided highway. Northbound visitors must travel half a mile beyond the cemetery entrance to the next crossover. This could be resolved by providing a crossover at the cemetery entrance. The project would involve filling a depression and paving a crossover.

3. Fort Custer National Cemetery (Michigan)—As the volume of traffic increases, cemetery entrances on local traffic arteries will cause dangerous conditions for traffic accelerating, decelerating, and turning left to enter or leave the cemetery. When future cemetery usage generates this condition, it could be resolved by providing acceleration and deceleration lanes, plus a traffic light that is activated for cars leaving the cemetery.

4. Fort Sam Houston National Cemetery (Texas)—The cemetery entrance is located on a major four-lane thoroughfare. All of its left turn entries or exits are dangerous, and numerous accidents have occurred. A traffic light has been installed by the city. The situation is still hazardous, and could be improved by providing turn lanes.

5. Houston National Cemetery (Texas)—The proposed cemetery entrance is from a high speed, high volume major arterial road. Acceleration and deceleration lanes, plus a traffic light for left turns, are provided for in the master plan design and would resolve the problem.

6. Fort Mitchell National Cemetery (Alabama)—Cemetery entrances on local traffic arteries will cause dangerous traffic conditions for traffic accelerating, decelerating, and turning left to leave the cemetery. The master plan design calls for acceleration and deceleration lanes plus a traffic light in order to resolve the problem.

The Veterans Administration assured the Subcommittee during the course of the July 1, 1987, hearing, that to the extent possible the agency would obtain financial participation from local governments when using this authority. No additional funds will be required in the VA budget, as these projects will be incorporated in existing priorities for construction.

The Committee notes that language already exists in section 5008 of title 38, United States Code, to provide similar authority with regard to VA medical centers. This provision will make the Administrator's authority consistent.

Technical Amendment to State Cemetery Grant Statute

Section 1008(b)(1) currently provides that no State may receive grants in any fiscal year in a total amount greater than 20 percent of the total amount appropriated program-wide for that fiscal year. The purpose of the original language was to prevent any one State from receiving a disproportionate share of Federal funds under the VA's cemetery grant program, to the disadvantage of other State(s).

In practice, after nearly eight years of experience with this program, it has become apparent that this restriction is unnecessary, and may lead to unintended results. The VA Administrator, in a letter to the Speaker of the House of Representatives dated March 9, 1987, illustrates the potential negative impact of section 1008(b)(1) as follows:

"For example, if $3 million were available in the third year of an appropriation and three States each requested $1 million in Federal assistance, no grant could be made because of the 20-percent limitation in the statute; i.e., each State would be requesting more than 20 percent of the total amount appropriated program-wide. Moreover, the entire $3 million would then lapse despite the seeming adequacy of the appropriation to fund all three requests."

The State Cemetery Grant program was originally enacted in P.L. 95-476, and became operational on October 1, 1979. From that date through the end of fiscal year 1986, the VA has awarded 26 grants totaling $10.4 million to 10 States and the Territory of Guam to assist in establishing or improving veterans cemeteries under their jurisdiction. The Committee believes that the program

provides an important service to veterans, and should be structured so as to operate as efficiently and effectively as possible. For this reason, section 301 of H.R. 2005, introduced at the request of the VA, is included as a technical provision of the reported bill.

There has been no situation to date, and none is anticipated, in which the original concerns leading to the 20 percent limitation could have occurred. Repeal of section 1008(b)(1) will avoid the unintended results described above. This action will enable the VA to deal more efficiently and equitably with carry-over funds, and will enhance program flexibility while maintaining program goals.

Grave Markers at Wood National Cemetery, Milwaukee, Wisconsin and Indiantown Gap National Cemetery, Pennsylvania

The reported bill would exempt a newly acquired portion of the Wood National Cemetery from the statute which mandates upright grave markers in national cemeteries.

In 1985, the Veterans Administration administratively transferred approximately 12 acres of land from the medical center to the national cemetery for expansion purposes. Without this additional land, the cemetery would have closed in 1987.

There was a specific agreement at the time of the transfer that grave markers in the new burial section would be flat. This condition was stipulated by the medical center director because the property is an integral part of the facility grounds.

Subsequent to this agreement, Congress in October 1986 amended 38 U.S.C. 1004 to mandate upright grave markers for interments in national cemeteries starting January 1, 1987. As amended, section 1004 includes an exemption for cemeteries that were expected to close by September 30, 1991, as indicated in the VA's FY 1987 budget submission. Wood National Cemetery would have qualified under this exemption if the land transfer had not already been made, which extended the close out date beyond 1991.

The Subcommittee received testimony on this subject at the July 1, 1987, hearing. The Non Commissioned Officers Association opposed the exemption for Wood on the basis that upright grave markers are considered more appropriate for national cemeteries, and are more meaningful to veterans who wish to be buried there. Other veterans service organizations testifying at the hearing expressed no objection to permitting flat grave markers in this unique situation.

The Committee never intended the provisions of Public Law 99–576 to apply to hospital grounds.

A similar exemption for flat markers is authorized for the Indiantown Gap National Cemetery.

Garden Niches

Garden niches are small (typically three feet by three feet) plots used in national cemeteries for the interment of cremated remains. Their use is advantageous in that land can be used for burials which otherwise could not accommodate a full casket interment. Garden niches can be placed on steep slopes, for example, or along walkways, around a flagpole area, or next to cemetery walls. The concept has been very well accepted, and has enabled the VA to provide service to veterans even at cemeteries which had been

closed for many years. In California, for example, it was possible in 1985 to reopen four closed cemeteries using the garden niche concept.

Cremation is becoming increasingly well accepted in this country, especially in the west, but also in other areas. For national cemeteries, cremations now account for 16 percent of all interments. The garden niche concept has made it possible to serve a large number of additional veterans already, and will be an important factor in meeting the very significant demands which will be placed on national cemeteries in the future.

Because of the size and the location of garden niches, flat markers must be used on them to avoid crowding and permit proper maintenance. Upright markers would be placed just a few inches apart on these small plots, or would be backed up to walls. The VA expressed concern at the July 1, 1987, hearing, that the upright grave marker provisions of P.L. 99–576 will force them to discontinue the garden niche concept, since flat markers must be used. Congressional intent was that the upright grave marker provisions would apply to in-ground burial of casketed remains, not to burial of cremated remains in garden niches. In order to clarify this point, legislative authority is provided to the VA for using flat grave markers for burial of cremated remains that are interred in the ground.

Graveliners

As the ground settles over a grave, sinkage occurs about 10 times over a 20 year period after an interment is made. In each case, the resulting depression must be filled in order to maintain an acceptable standard of cemetery appearance. Graveliners are rigid outer containers, typically made of concrete, which enclose the casket in order to prevent this type of sinkage, and thus reduce overall maintenance costs.

At the July 1, 1987, hearing, the Subcommittee heard testimony from a variety of expert witnesses on the potential for using graveliners to improve cemetery operations. These included the Superintendent of Arlington National Cemetery, the Deputy Chief Memorial Affairs Director of the VA, the National Concrete Burial Vault Association, and the American Cemetery Association. Graveliners are required today in the vast majority of private and denominational cemeteries, a clear demonstration of their effectiveness in reducing costs and improving cemetery appearance. The witness for the American Cemetery Association commented that it is "inconceivable" that any modern cemetery operates without them.

In response to questions, the Superintendent of Arlington indicated that graveliners, while not now required, could be highly beneficial to their operations. The VA testified that graveliners were first introduced into the National Cemetery System in 1975, on an experimental basis at 10 locations. The test proved so successful that use was gradually expanded to 30 of the 57 national cemeteries then open. Fiscal restraints forced the agency to cut back substantially on the graveliner program in 1980, although they are still provided at three of the large new regional cemeteries, Calverton, Riverside, and Massachusetts. Next-of-kin also provide graveliners or vaults at their own expense in many instances.

The VA testified that graveliners are used in national cemeteries for four basic reasons: (1) to reduce maintenance requirements by preventing the ground from sinking over a collapsing casket; (2) to prevent headstones from sinking and tilting; (3) to reduce falls and other accidents to employees and visitors when walking over uneven ground; and (4) to assure that cemetery appearance meets the high standard expected by the public. The VA further testified that graveliners are most efficient when gravesites are being used for the first time, and all burials in a section would have graveliners.

Graveliners are highly cost effective when used in these types of circumstances. In the interests of long-term efficiency, and especially in view of the anticipated increase in burials over the next 20 years, the VA Administrator is authorized to provide graveliners in VA national cemeteries and Arlington National Cemetery. The Committee expects the agency to make effective use of this provision, and will monitor implementation through the oversight process.

Section-by-Section Analysis

Section 1 would delete the restriction in clause (1) of subsection 1008(b) of title 38 which provides that no State may receive more than 20 percent of the total annual appropriation for grants to States to aid in establishing, expanding or improving veterans' cemeteries.

Section 2 would amend section 1004(f) of title 38 to authorize VA to make contributions to local authorities toward, or for, the construction of traffic controls, road improvements or other devices adjacent to national cemeteries if necessary for safe ingress or egress.

Section 3 would add a new subsection (e) to section 906 of title 38 to authorize the Administrator of Veterans' Affairs, in accord with specifications and procedures approved by the Chief Memorial Affairs Director, to provide graveliners for the interment of casketed remains in VA national cemeteries and Arlington National Cemetery.

Section 4 would amend subsection 1004(c)(2) of title 38 to authorize the use of flat markers to mark the gravesites of cremated remains that are interred in the ground in national cemeteries.

Section 5 would permit the VA to use flat markers to mark the graves in a new addition to the Wood National Cemetery at Milwaukee, Wisconsin developed on land transferred by the Department of Medicine and Surgery, notwithstanding the upright-marker requirements of subsection 1004(c)(2) of title 38. Also would permit use of flat grave markers at the Indiantown Gap National Cemetery in Pennsylvania.

Section 6 would amend the Act establishing the American Battle Monuments Commission (36 U.S.C. 121) by establishing a Foreign Currency Fluctuations Account for the purpose of eliminating losses because of fluctuations in currency exchange rates of foreign countries where the ABMC operates. The amendment authorizes the appropriation of $3,000,000 for this purpose.

Oversight Findings

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

Inflationary Impact Statement

The reported bill will have no inflationary impact.

Congressional Budget Office Cost Estimate

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., July 22, 1987.

Hon. G.V. (Sonny) Montgomery,
Chairman, Committee on Veterans' Affairs,
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman: In response to your request, CBO has prepared the attached cost estimate for H.R. 2957, a bill to provide improvements in the National Cemetery System administered under title 38, U.S.C., and for other purposes, as ordered reported by the House Committee on Veterans' Affairs, July 22, 1987.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

Edward M. Gramlich,
Acting Director.

cc: Hon. Gerald B.H. Solomon
Ranking Minority Member

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1. Bill number: H.R. 2957.
2. Bill title: None.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, July 22, 1987.
4. Bill purpose: To provide for improvements in the National Cemetery System administered under title 38, U.S.C., and for other purposes.
5. Estimated cost to the Federal Government:

[by fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Estimated authorization level	7	5	5	6	7
Estimated outlays	4	5	5	6	7

The cost of this bill would fall in budget function 700.

Basis of Estimate—The following section-by-section cost analysis only addresses those sections of the bill that could be expected to have a significant impact on the federal budget.

SECTION 2. This section would authorize the VA to make contributions toward construction projects by local jurisdictions that facilitate safe ingress to or egress from national cemeteries.

According to VA sources, this authority would not be used often, and the VA's contribution to specific projects would be relatively small. It has been estimated by the agency that expenditures under this provision would probably run around $200,000 a year.

SECTION 3. This section would authorize the VA to provide graveliners for interments in national cemeteries.

[by fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Estimated authorization level	4	5	5	6	7
Estimated outlays	4	5	5	6	7

According to VA data, there were more than 52,000 interments in national cemeteries in fiscal year 1986. Based on historical trends, this number is projected to rise to nearly 74,000 by 1992. Vaults or graveliners are privately furnished in approximately 20 percent of these burials. This estimate assumes that most of these were vaults and that private purchases will continue at about the same rate as in the past. The average cost of a graveliner in 1986 was $85.50 and the average installation cost was approximately $12. These costs were increased in future years for anticipated inflation.

SECTION 6. This section would establish a foreign currency fluctuation account under the jurisdiction of the American Battle Monuments Commission. This account would be used to supplement regular appropriations when exchange rate fluctuations render the requested appropriation level insufficient to meet obligations of the Commission that are payable in a foreign currency.

[by fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Estimated authorization level	3				
Estimated outlays					

Section 6 specifies that $3 million would be authorized to be appropriated as start-up funds for the new account. Outlays would only occur when exchange rate fluctuations differ from the fluctuations assumed in the budget. Therefore, no outlays from the fund would occur under existing budgetary assumptions.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of State and local governments would not be significantly affected by enactment of this bill.

7. Estimated comparison: None.

8. Previous CBO estimate: None.
9. Estimate prepared by: K.W. Shepherd (226-2820).
10. Estimate approved by:

C.G. NUCKOLS,
(For James L. Blum, Assistant Director for Budget Analysis.)

AGENCY REPORTS

The Committee received the following letters from the Veterans Administration on legislation similar to the reported bill.

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., March 24, 1987.

Hon. JIM WRIGHT
Speaker of the House of Representatives
Washington, D.C. 20515

DEAR MR. SPEAKER: There is transmitted herewith a draft bill, "To amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress." It is requested that the bill be referred to the appropriate committee and that it be favorably considered for enactment.

The draft measure, which would amend title 38 by adding section 1009 to chapter 24, would authorize the Veterans Administration to make contributions to local authorities for the construction of traffic controls, road improvements or other devices adjacent to a national cemetery if considered necessary to facilitate safe ingress or egress.

It has become evident, in administering the national cemetery system, that specific statutory authorization is required in order to undertake the type of construction projects deemed necessary to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such requisite construction projects are generally prohibited as a result of the well-established rule which prohibits the Government's expenditure of appropriated funds for the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe a specific statutory authorization under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation, in our opinion, addresses and resolves these concerns.

It should be noted that section 5008 of title 38, United States Code, with language identical to that proposed here, currently authorizes the Administrator to make contributions to local authorities for construction projects adjacent to Veterans Administration medical facilities if considered necessary for safe ingress or egress.

We believe it is incumbent upon the Veterans Administration to provide and maintain the safest conditions at our national cemeteries and, where necessary, to take reasonable steps to minimize or,

if possible, eliminate dangers to visitors and cemetery employees. It is with this object in mind that we submit this legislation.

The enactment of the draft bill will result in an estimated cost of $1 million over the first 5 fiscal years. A summary of the cost estimate by fiscal year follows:

Fiscal Year:	Costs
1988	$200,000
1989	200,000
1990	200,000
1991	200,000
1992	200,000
Total	$1,000,000

The Office of Management and Budget advises that there is no objection to the submission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., March 9, 1987.

Hon. JIM WRIGHT
Speaker of the House of Representatives
Washington, D.C. 20515

DEAR MR. SPEAKER: It is my pleasure to submit a draft bill to authorize a headstone allowance for prepurchased grave markers, amend eligibility standards for the plot allowance, repeal certain provisions pertaining to the State cemetery grant program, and exempt certain national cemetery land at Wood, Wisconsin, from the upright grave markers requirement. I respectfully request that this bill be referred to the appropriate committee for prompt and favorable action.

Section 101 of our proposal would amend current section 906(d) of title 38, United States Code, to permit payment of the headstone or marker allowance to the estate of a deceased veteran who purchased the headstone or grave marker prior to his or her death. It would also permit us to reimburse an estate for engraving the prepaid memorial after the veteran's death within the limits of the statutory maximum for the allowance.

Section 906(d) of title 38, United States Code, provides for the payment of a monetary allowance in lieu of a Government-furnished headstone or grave marker under certain circumstances. The allowance is intended to reimburse an individual, at least in part, for actual costs of acquiring a suitable memorial, and is not payable prior to the death of the veteran. Therefore, if the veteran purchases his or her memorial prior to death, the headstone or marker allowance cannot be claimed at the time of the purchase. Moreover, the allowance is not payable to any person after the veteran's demise, to the extent the costs of the memorial were prepaid (borne) by the veteran.

Prepaid funeral arrangements are gaining in popularity, and serve as a thoughtful means of sparing survivors the need to make

difficult decisions during a period of emotional stress. Under existing law, the Veterans Administration (VA) is authorized to pay burial and plot allowances to reimburse for prepayment of such funeral expenses. Our proposal would extend that approach to the acquisition of headstones or grave markers, thereby removing the disincentive to prepurchase memorials and relieving survivors of a financial burden. Further, the proposed amendment would reconcile the different criteria for reimbursement applied to prepayment of funeral expenses and prepurchase of memorials.

Our proposal, if enacted, would result in less than $1 million in benefit costs and $100,000 in administrative costs.

Section 201 of our proposal would amend the eligibility criteria contained in section 903(b) of title 38, United States Code, pertaining to the plot allowance. In effect, the amendment would adopt the same criteria as are embodied in the statutes providing burial allowance benefits.

Under current section 903(b), which provides a plot allowance for the purchase of a burial plot or for interment of a veteran's remains, the benefit is payable on behalf of any veteran not buried in a national cemetery who was a veteran of wartime service, was discharged from service for disability incurred or aggravated in line of duty, was entitled to VA compensation or pension, or died while institutionalized in a VA facility or at VA expense. The plot allowance is a corollary to the burial allowance under sections 902 and 903(a), which provide benefits to assist in the payment of a veteran's burial and funeral expenses.

As originally conceived, the plot and burial allowances were to facilitate honorable burials for veterans who died in service or lacked sufficient funds to cover burial expenses. In 1981, however, Congress recognized that Federal burial-assistance programs had expanded well beyond their original purposes and benefits were being paid on behalf of persons who possessed ample resources to pay such expenses. Section 2001(b) of Public Law 97-35 was enacted to restrict eligibility for the burial allowance to veterans entitled to disability compensation or pension at the time of death. A subsequent amendment added eligibility for certain veterans who had neither next of kin nor sufficient resources to cover funeral and burial expenses. Burial awards on behalf of institutionalized veterans under section 903(a) were retained. In essence, burial benefits were directed primarily to those veterans who suffered diminished earning capacity by reason of active service and those who demonstrated financial need.

Enactment of our proposal would continue the reforms begun in 1981 by limiting eligibility for the plot allowance to veterans entitled to disability compensation or pension or to certain institutionalized veterans. Wartime service alone would no longer be qualifying for the plot allowance. The proposed legislation would more effectively realize the original purposes of the program and direct Federal assistance to those genuinely in need. Further, it would reconcile the different criteria that have developed in the burial allowance and plot allowance programs.

If enacted, our proposal would entail no administrative costs, and would achieve savings of approximately $164.3 million over five years, as reflected in the President's fiscal year 1988 budget.

Section 301 of our proposed bill would repeal section 1008(b)(1) of title 38, United States Code, which limits the amount of Federal funds that may be received under the State cemetery grant program.

At present, section 1008(b)(1) provides that no State may receive grants in any fiscal year in a total amount in excess of 20 percent of the total amount appropriated program-wide for that fiscal year. The purpose of the statute is to prevent any State from receiving a disproportionate share of Federal funds through the cemetery grant program.

In practice, however, the statute may lead to unintended results. For example, if $3 million were available in the third year of an appropriation and three States each requested $1 million in Federal assistance, no grant could be made because of the 20-percent limitation in the statute; i.e., each State would be requesting more than 20 percent of the total amount appropriated program-wide. Moreover, the entire $3 million would then lapse despite the seeming adequacy of the appropriation to fund all three requests.

In our view, the present provision should be repealed in order to avoid these unintended results. Our proposal would enhance program flexibility and more efficiently and equitably deal with carryover funds, while faithfully maintaining the goals of the program.

Enactment of this proposal would result in no administrative costs.

Section 401 of the draft bill would exempt a newly acquired portion of the Wood National Cemetery from the statute which mandates erection of upright grave markers.

In June 1985, the VA transferred approximately 12 acres of land from its medical center in Wood, Wisconsin, to the Department of Memorial Affairs for expansion of the national cemetery. The land transfer contemplated that only flat grave markers be used in the new burial section. The transfer agreement predated Public Law 99-576, enacted in October 1986, which now requires upright markers in national cemeteries. The agency is concerned that upright grave markers would be more conspicuous from the nearby medical facility, and could adversely affect patient care. The parcel of land is very close to the Wood domiciliary, and forms an integral part of the medical center complex.

Our proposal would permit the VA to proceed with the use of flat markers in the similarly situated expansion sections of the Wood National Cemetery, which would better suit the unique location of the burial sites. If enacted, it would involve no significant benefit savings or administrative costs. Upright markers would continue to be used in other sections of the cemetery, pursuant to Public Law 99-576, to the extent patient care would not be detrimentally affected.

Section 501 of our proposal would make the changes respecting prepaid grave markers and plot allowance effective as to deaths occurring after September 30, 1987. The repeal of section 1008(b)(1) of title 38 and the partial exemption of Wood Cemetery from the upright grave markers requirement would become effective on the date of enactment of the Act.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft leg-

islation and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART II—GENERAL BENEFITS

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CHAPTER 23—BURIAL BENEFITS

Sec.
901. Flags.
902. Funeral expenses.
903. Death in Veterans' Administration facility; plot allowance.
904. Claims for reimbursement.
905. Persons eligible under prior law.
[906. Headstones and markers.]
906. Headstones, markers, and grave liners.

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§ 906. Headstones [and markers], *markers, and grave liners*

(a) * * *

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(e)(1) The Administrator may provide an approved grave liner for the interment of casketed remains in cemeteries within the National Cemetery System and in the Arlington National Cemetery.

(2) The use of grave liners shall be in accordance with specifications and procedures approved by the Administrator.

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CHAPTER 24—NATIONAL CEMETERIES AND MEMORIALS

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§ 1004. Administration

(a) * * *

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(c)(1) Subject to paragraph (2), each grave in a national cemetery shall be marked with an appropriate marker. Such marker shall bear the name of the person buried, the number of the grave, and such other information as the Administrator shall by regulation prescribe.

(2) The grave markers referred to in paragraph (1) shall be upright for interments that occur on or after January 1, 1987, except that—

(A) in the case of any cemetery scheduled to be closed by September 30, 1991, as indicated in the documents submitted by the Administrator to the Congress in justification for the amounts included for Veterans' Administration programs in the President's Budget for fiscal year 1987, the Administrator may provide for flat grave markers; [and]

(B) in the case of any cemetery with a section which has flat markers on the date of the enactment of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, the Administrator may continue to provide for flat grave markers in such section[.]; *and*

(C) in the case of gravesites of cremated remains that are interred in the ground, the Administrator may provide for flat grave markers.

* * * * * * *

(f)*(1)* The Administrator is authorized to convey to any State, or political subdivision thereof, in which any national cemetery is located, all right, title, and interest of the United States in and to any Government owned or controlled approach road to such cemetery if, prior to the delivery of any instrument of conveyance, the State or political subdivision to which such conveyance is to be made notifies the Administrator in writing of its willingness to accept and maintain the road included in such conveyance. Upon the execution and delivery of such a conveyance, the jurisdiction of the United States over the road conveyed shall cease and thereafter vest in the State or political subdivision concerned.

(2) The Administrator may, to the extent of appropriated funds available for such purpose, make contributions to local authorities for the construction of traffic controls, road improvements, or other devices on land adjacent to a national cemetery if the Administrator determines that such a contribution is necessary for safe ingress or egress to or from such cemetery.

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§ 1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries

(a) * * *

(b) Grants under this section shall be subject to the following conditions:

[(1) No State may receive grants under this section in any fiscal year in a total amount in excess of 20 per centum of the total amount appropriated for such grants for such fiscal year.]

[(2)] *(1)* The amount of any grant under this section may not exceed an amount equal to 50 per centum of the total of the value of the land to be acquired or dedicated for the cemetery and the cost of the improvements to be made on such land, with the remaining amount to be contributed by the State receiving the grant.

[(3)] *(2)* If at the time of a grant under this section the State receiving the grant dedicates for the purposes of the cemetery involved land already owned by the State, the value of

such land may be considered in determining the amount of the State's contribution under paragraph (1) of this subsection, but the value of such land may not be used for more than an amount equal to 50 per centum of the amount of such contribution and may not be used as part of such State's contribution for any subsequent grant under this section.

[(4)] *(3)* If a State that has received a grant under this section to establish, expand, or improve a veterans' cemetery ceases to own such cemetery, ceases to operate such cemetery as a veterans' cemetery, or uses any part of the funds provided through such grant for a purpose other than that for which the grant was made, the United States shall be entitled to recover from such State the total of all grants made under this section to such State in connection with such cemetery.

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ACT OF MARCH 4, 1923

AN ACT For the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes.

* * * * * * *

SEC. 13. (a) There is hereby established in the Treasury an account to be known as the "Foreign Currency Fluctuations, American Battle Monuments Commission, Account". The account shall be used to provide funds to appropriated funds available for salaries and expenses of the American Battle Monuments Commission to eliminate losses because of fluctuations in currency exchange rates of foreign countries occurring after a budget request for the Commission is submitted to Congress. The account may not be used for any other purpose.

(b) Funds provided to appropriations under subsection (a) shall be merged with and available for the same time period as the appropriation to which they are applied. A provision of law limiting the amount of funds the Commission may obligate in any fiscal year shall be increased to the extent necessary to reflect fluctuations in exchange rates from those used in preparing the budget submission.

(c) An obligation of the Commission payable in the currency of a foreign country may be recorded as an obligation based upon exchanges rates used in preparing a budget submission. A change reflecting fluctuations in exchange rate may be recorded as a disbursement is made.

(d) Funds transferred from the Foreign Currency Fluctuations, American Battle Monuments Commission, Account may be transferred back to that account—

(1) if the funds are not needed to pay obligations incurred because of fluctuations in currency exchange rates of foreign countries in the appropriation to which the funds were originally transferred; and

(2) because of subsequent favorable fluctuations in the rates or because other funds are, or become, available to pay such obligations.

(e) A transfer back to the account under subsection (d) may not be made after the end of the second fiscal year after the fiscal year that the appropriation to which the funds were originally transferred is available for obligation.

(f) No later than the end of the second fiscal year following the fiscal year for which appropriations for salaries and expenses have been made available to the Commission, unobligated balances of such appropriation provided for a fiscal year may be transferred into the Foreign Currency Fluctuations, American Battle Monuments Commission, Account, to be merged with and available for the same period and purposes as that account.

(g) The Secretary shall report to Congress each year on funds made available under this section.

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